

SOCIOECONOMIC ENVIRONMENT

REGIONAL LAND USE AND REGIONAL VISITOR FACILITIES AND SERVICES

Regional Characteristics

The affected economic region includes the three counties of the Keweenaw Peninsula: Houghton, Keweenaw, and Ontonagon, Michigan, and Cook County, Minnesota. The area has harsh and long winters and limited economic opportunities.

Keweenaw Peninsula, Michigan. In the late 19th and early part of the 20th centuries mining and forestry were the mainstays of the economy of the Keweenaw Peninsula. A large population was encouraged to settle and live in the region due to the mineral wealth (copper) of the peninsula. This situation has changed since the 1940s. The region's population has decreased, and services, state and local government, and manufacturing are now the mainstays. Mining no longer plays a significant part in this region's economy.

Consumptive use of natural resources has been replaced by nonconsumptive uses as the economy has evolved. Today considerably fewer people are supported by mining and logging. Many parks, including Isle Royale and other attractions, provide a focus for summer activities. Heavy winter snowfall, averaging more than 200 inches and hilly topography provide the basis for winter sports, including skiing and snowmobiling.

Cook County, Minnesota. Cook County is in the extreme northeastern part of Minnesota. It has a triangular shape bordered by Ontario, Canada, on the north, Lake Superior on the southeast, and Lake County, Minnesota, on the west. The Grand Portage Indian Reservation makes up the easternmost portion of the county. Much of this rugged and sparsely populated county is heavily wooded or covered by lakes and streams. Superior National Forest takes up

about $\frac{2}{3}$ of the county's 931,756 acres. About $\frac{1}{6}$ of the county is privately owned. The remainder is under state and county ownership. The county's four incorporated towns and most of the population are strung out along the Lake Superior shoreline. About $\frac{1}{3}$ of the county is in the Boundary Waters Wilderness canoe area. Long harsh winters are the norm for the county.

The economy of the Grand Portage Indian Reservation has evolved over the past decades. It has changed from subsistence hunting, fishing, and forestry to a service-oriented economy based on construction, fishing, forest products, government services, hunting, crafts, tourism, and trapping. The seasonal tourism industry dominates the reservation economy. The Grand Portage Lodge and Casino are the primary enterprises of the Grand Portage band of the Minnesota Chippewa Tribe and provide a majority of the employment opportunities on the reservation. The gambling industry on the reservation and the North American Free Trade Agreement have combined to provide a real stimulus to the local economy.

Population

Michigan has nearly 9.5 million people living in 83 counties. Houghton County ranked 44th in population in the state in 1994. Keweenaw County was the least populated county in the state and Ontonagon ranked 78th. Overall the population in all three counties has declined since 1980. Between 1980 and 1994 Houghton, Keweenaw, and Ontonagon Counties have declined in population by approximately 4.0%, 5.0%, and 12.1% respectively (now having a total of less than 50,000 people) while the state as a whole has increased by 2.9%.

Cook County, with fewer than 5,000 inhabitants, is one of 87 counties in Minnesota, which has a total population of 4.5 million. Cook County ranks 85th in the state. The county experienced

a decline in population from 1980–1990. However, its population has rebounded with an overall gain between 1990–1994 of 7.3%.

Income, Employment, and Poverty

In 1994 the national average per capita income was \$21,696. Michigan ranked 19th (\$22,192)

and Minnesota ranked 17th (\$22,217). Houghton (\$15,264), Keweenaw (\$15,985), and Ontonagon (\$16,591) Counties had average per capita personal incomes well below the state average (see table 7). Minnesota ranked 17th in the country with a state average per capita income of \$22,217. Cook County (\$19,999) was significantly below the average for the state.

TABLE 7. STATE AND LOCAL COUNTY PER CAPITA PERSONAL INCOMES FOR SELECTED YEARS

County/State	Per Capita Personal Income					
	1980	1990	1991	1992	1993	1994
Michigan	10,154	18,237	18,703	19,739	20,601	22,192
Houghton County	6,863	12,634	13,400	13,615	14,517	15,264
Keweenaw County	6,715	14,586	15,364	15,305	15,052	15,985
Ontonagon County	7,511	13,758	14,460	14,951	15,604	16,591
Minnesota	\$9,982	18,779	19,271	20,454	20,911	22,217
Cook County	\$8,493	16,615	17,570	18,517	18,812	19,999

Source: Regional Economic Information System, Bureau of Economic Analysis, Economics and Statistics Administration, U.S. Department of Commerce, 1994 data.

Unemployment and poverty rates (1990 census data) for the states and counties are presented in table 8. Cook County had higher average unemployment than the state, but the poverty level was only slightly above the state average. The U.S. averages in 1990 for unemployment were 6.4% and for poverty were 13.1%.

TABLE 8. UNEMPLOYMENT AND POVERTY RATES

State/County	Unemployed	Below Poverty Level
Michigan	8.2%	13.1%
Houghton	9.9%	21.0%
Keweenaw	17.0%	20.6%
Ontonagon	8.4%	13.2%
Minnesota	6.0%	10.2%
Cook	10.9%	10.9%

Source: Census of Population and Housing, 1990: Summary Tape File 3, Bureau of the Census, Washington, 1992.

The major individual employer in the Keweenaw region is Michigan Technological University. Nearly 1,200 employees provide services to a student body of about 6,000 undergraduates and 600 graduate students. The next two largest employers combined provide only about half as many jobs. Health care services are also a top employer. Four health care facilities combine to provide about 1,070 jobs. Local school systems employ about 460 people.

Cook County's economy, in terms of earnings, has been based primarily on services, government, and retail trade. Due to recreation and tourism, there is a strong seasonal aspect to this local economy. More people are employed during the summer tourist season because of the influx of seasonal residents and vacationers. Services, government at all levels, and retail trade provide the most jobs in Cook County. The county's economy is heavily tied to the vacationing traveler. Hiking, mountain biking, canoeing, backpacking, camping, golf, and

horseback riding are popular. Hunting and fishing are available according to various seasons for individual fish and game. A fall color tour is promoted. Winter sports, including downhill skiing, cross-country skiing, snowmobiling, and dog-sled racing are popular in the off season. The Grand Portage Lodge and Casino, a Chippewa tribal enterprise, is a major attraction in the Grand Portage area. Grand Portage National Monument is in the county and received over 71,000 recreational visits in 1996.

VISITOR SERVICES

The Keweenaw Peninsula is promoted as a tourist destination by the Keweenaw Peninsula

Chamber of Commerce and the Keweenaw Tourism Council. Accommodations, food, automotive services, medical services, etc. are available in Houghton, Hancock, Calumet, and several other locations.

Visitor services in Cook County are somewhat limited in scope and location due to the relatively small permanent population base. However, all necessary services are available. These services are concentrated along U.S. 61 and in Grand Marais, Schroeder, Tofte, and Grand Portage. Many businesses cater to the tourist trade.